

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BBL2014 – BUSINESS LAW

(All sections / Groups)

12 October 2016

9.00 – 11.00 am

(2 Hours)

INSTRUCTIONS TO STUDENT:

1. This Question paper consists of three (3) pages with five (5) questions only.
2. Answer **FOUR (4)** questions only. **Question ONE (1)** is compulsory.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

(a) Write short notes on the following cases:-

- (i) Carlill v. Carbolic Smoke Ball [1893] Q.B. 256 (C.A.)
- (ii) Balfour v. Balfour [1919] 2 KB 571

Total: 20 marks

(b) On 15 June 2015, Kayne offers to sell his antique chair to Louis for RM8000. Louis subsequently inspects the desk and says to Kayne 'The chair is in excellent condition and I'd like to have it. There's no doubt that I could afford to buy this chair if I could pay for it in three installments'. Nothing further is said concerning the chair. On 18 June 2015, Louis sends a letter to Kayne whereby he accepts Kayne's original offer. On 19 September 2015, Louis learns that Kayne has sold the chair to Orlando for RM10000. On 20 September 2015, Kayne receives Louis' letter of acceptance. Advise Louis whether he has an action against Kayne for breach of contract. Give detailed reasons for your answer and support with case law.

(20 marks)

Total: 40 marks

QUESTION 2

(a) Explain the term "Insurable Interest" and the exceptions under Malaysian Insurance Law. Support your answer with case law.

(10 marks)

(b) Zain wants to purchase a Harley Davidson motorcycle on a hire purchase with Ultra Bike Sdn. Bhd. ("UBSB"), a company selling high premium motorcycles.

- (i) Explain his duties as a hirer according to Hire Purchase Act 1967.
- (ii) What are the duties of UBSB as the owner under a Hire Purchase Act 1967?

(10 marks)

(Total: 20 marks)

QUESTION 3

(a) Ali, Shree and Leong want to set up a company to sell their special global surveillance device that enables house owners to monitor their house from their office. Since you are a company secretary of a company, they seek your advice on the effects of incorporation of a company.

(10 marks)

Continued.....

- (b) Explain the case of *Salomon v. Salomon & Co. Ltd (1897)* and its application in Company Law. Under what circumstances will there be a lifting of the corporate veil?

(10 marks)

(Total: 20 marks)

QUESTION 4

- (a) Discuss the principle of *Nemo dat quod non habet* and the exceptions to this rule by referring to the relevant statutory provisions and decided cases.

(10 marks)

- (b) Dina has a bakery at the Pavilion, Kuala Lumpur. Due to her expanding retail business, she needs a new commercial oven. Dina decided to buy the oven from Hotoven Sdn. Bhd. ("HSB"), a company which imports and supplies commercial ovens. HSB's salesperson assured Dina that their latest model of oven features a temperature of at least 400 degrees Celsius. Upon Dina's agreement, HSB's salesperson set up the new oven at Dina's bakery. After putting in the first batch of muffins and setting the temperature at 400 degrees Celsius for 20 minutes, the muffins were still uncooked. The oven supplied by HSB did not meet the temperature required by Dina.

- (i) Advise Dina of her legal rights, if any, pursuant to the Malaysian Sale of Goods law.

- (ii) State and explain three (3) implied conditions in a contract of sale.

(10 marks)

(Total: 20 marks)

QUESTION 5

Explain the meaning of the following terms in relation to Contract Law:-

- (i) Age of Majority
- (ii) Intention to create a legal relationship
- (iii) Novation
- (iv) Free Consent
- (v) Quantum Meruit

(4 marks each)

(Total: 20 marks)

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